

EXHIBIT B
ACS Delegate Agency Contract Additional Excerpts
(Defendants' Exhibit J)

**THE CITY OF NEW YORK ADMINISTRATION FOR CHILDREN'S SERVICES
AGREEMENT FOR THE PURCHASE OF HEAD START AND UPK SERVICES
PART I**

ARTICLE 1. GENERAL TERMS

Section 1.01 Contractor Site Addresses

The Contractor's Head Start and UPK sites are listed in Appendix B.

Section 1.02 Contract Amount

A. Total Contract Amount

1.	UPK Funding	\$99,953.00
2.	Head Start Funds	\$1,068,890.00
3.	Total Contract Amount (Not To Exceed)	\$1,168,843.00

The Total Contract Amount is subject to ACS' approval of the Contractor's Head Start annual funding application, Contractor's annual UPK Qualification Tool and to ACS receipt of Head Start funding from ACF and UPK funding from DOE.

B. Budget

The Contractor shall supply Head Start and UPK services pursuant to and within the limitations of the approved Budget which is attached to and made a part of this Agreement (Appendix C).

Section 1.03 Non-Federal Share

Contractor's Head Start Non-Federal Share	\$267,223.00
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The Contractor's Head Start Non-Federal Share (25% of Head Start Funds) as listed above is an estimate based upon the attached Budget which does not include costs associated with the ACS Insurance Plan, purchased on behalf of the Contractor pursuant to this Agreement, or health insurance costs and pension funds paid by ACS on the Contractor's behalf. ACS shall periodically audit health insurance and pension accounts to determine the Contractor's share. Thereafter the amounts, if any, expended on health insurance and pension by ACS in connection with the Contractor's program, if any, shall be added to the Head Start Fund amount found in

Section 1.02(B), above and the Contractor's required Head Start Non-Federal share shall be increased to 25% of the adjusted Head Start Fund amount.

Section 1.04 Bonding Requirement

The fidelity bonding requirement is waived without prejudice to ACS. ACS reserves the right to require the Contractor to provide a fidelity bond in accordance with this Agreement and the Law upon thirty (30) days written notice.

Section 1.05 Term of Agreement

A. Term of Agreement

The term of this Agreement shall be a one (1) year period, from February 1, 2010 through January 31, 2011.

B. Renewal

ACS shall have the option to renew the Agreement on the same terms and conditions contained in this Agreement pursuant to such rates and contract amounts as may be established by ACS with respect to such period for which it exercises its option for the following renewal terms:

1. One (1) year period from February 1, 2011 through January 31, 2012;
2. One (1) year period from February 1, 2012 through January 31, 2013;
3. Three (3) year period from February 1, 2013 through January 31, 2016.

ACS, in its sole discretion, may modify the length of any renewal option period listed above. The exercise of any renewal option shall be subject to all required approvals, including ACS established criteria, the applicable PPBR, and the appropriation of funds for each such option period.

Section 1.06 Levels of Services

A. The Contractor is required to meet the minimum utilization standards in accordance with the Law including the Head Start Act and any successor Law. Therefore, the Contractor shall maintain one hundred percent (100 %) of the funded capacity in enrollment for each site. Ten percent (10%) of the funded capacity must be children with disabilities who have been determined eligible for special education and related services pursuant to the Head Start Act. ACS reserves the right to impose a minimum funded capacity requirement for attendance.

B. The Contractor's funded capacity for Head Start services is 101 eligible children and their families. Included in these numbers are children eligible for services for children with disabilities.

C. The Contractor's funded capacity/estimated enrollment for UPK services is 36 for eligible children and their families. (Note: the UPK funded capacity/estimated enrollment is valid for the first year of this Agreement only. Funded capacity/estimated enrollment will be renegotiated each subsequent year based on factors determined by ACS, including, but not limited to, the Contractor's enrollment for previous year, demonstrated ability to retain students throughout a full school year, needs of the community and availability of other appropriate placements.)

D. ~~The Contractor shall deliver Head Start and UPK services consistent with this~~ Agreement and of a quality as prescribed in Policies, Procedures and Guidelines and the Law including the Head Start Performance Standards. If the Contractor is delivering the services at a quality and level below that agreed upon, ACS shall notify the Contractor that the services are to be increased to the level of quality agreed upon within thirty (30) days. If the Contractor fails to deliver services at the agreed upon level and quality, then ACS may reduce the Budget and scope of services consistent with the level of services delivered. In no event shall the Contractor be required to deliver services at a level that will adversely affect its ability to secure and maintain any license or certificate required for the provision of the services described in this Agreement under the Law.

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**THE CITY OF NEW YORK ADMINISTRATION FOR CHILDREN'S SERVICES
AGREEMENT FOR THE PURCHASE OF HEAD START AND UPK SERVICES**

PART II

ARTICLE 1. DEFINITIONS and ACRONYMS

Section 1.01 Definitions

Whenever the following terms and phrases are used in this Agreement, the schedules, attachments, appendixes and exhibits annexed to this Agreement, they shall have the following meanings, unless it is expressly indicated that such term or phrase is to have a different or additional meaning. All such other terms and phrases that are not specifically defined in this Section or elsewhere in this Agreement shall have the meaning ascribed to it by Law or, in the event that such term or phrase is not described in any applicable Law, it shall have the meaning as is commonly ascribed to it.

- A. Administrative Director shall mean the Contractor's salaried employee in charge of the performance of the Head Start Program, who is directly responsible to the Board of Directors or the Executive Director.
- B. Board of Directors or Board means the Board of Directors, Board of Trustees or a similar body vested with the responsibility of managing the Contractor's affairs.
- C. City shall mean the City of New York.
- D. Comptroller shall mean the Comptroller of the City of New York.
- E. Day shall mean a calendar day unless otherwise specified in this Agreement.
- F. Delegate Agency(-ies) shall mean a public, private nonprofit, or for profit organization or agency to which ACS has delegated all or part of its responsibility for operating a Head Start program.
- G. Fiscal Year shall mean the City of New York fiscal year which begins on July 1st and ends on June 30th of each year.
- H. Head Start Act shall mean the Head Start Act, 24 USC 9801 et seq. and any successor and any amendments or successor thereto.
- I. Head Start Performance Standards shall mean the Head Start Program Performance Standards, 45 CFR 1304 et seq., effective December 15, 1999 and any successor and any amendments thereto.

J. Law(s) shall mean all applicable Federal, State and City laws, regulations, ordinances and rules and any successor and any amendments thereto.

K. Policies, Procedures and Guidelines mean all applicable ACS and City policies, procedures and guidelines.

L. Program Year or PY shall mean the Head Start Program Year which begins on February 1st and ends on January 30th of each year.

M. School Year shall mean the period commencing on or about the day after Labor Day of each year during the term of this Agreement (the "School Year Start Date") and ending on or about the 30th day of June the following year (the "School Year End Date").

N. State shall mean the State of New York.

Section 1.02 Acronyms

Whenever the following acronyms are used in this Agreement, the schedules, attachments, appendixes and exhibits annexed to this Agreement, they shall have the following meanings. All such other acronyms that are not specifically defined in this Section or elsewhere in this Agreement shall have the meaning ascribed to it by Law or, in the event that such term or phrase is not described in any applicable Law, it shall have the meaning as is commonly ascribed to it.

A. ACF - Administration for Children and Families of the U.S. Department of Health & Human Services.

B. CACFP - Child Care Adult Food Program

C. DOE - City of New York Department of Education

D. DOHMH - City of New York Department of Health and Mental Hygiene

E. NYSED - New York State Education Department

F. OCFS - New York State Office of Children and Family Services

G. SCR - New York State Central Registry

H. UPK - Universal Pre-Kindergarten

Section 4.18 Fiscal and Administrative Management Services

Should ACS determine that circumstances exist that would impair the ability of the Contractor to maintain the level or quality of services as provided by the Agreement, ACS may require corrective action measures which the Contractor shall implement.

ARTICLE 5. PERSONNEL

Section 5.01 Hiring

A. All hiring or employment of personnel and all promotions or salary increases shall be in accordance with the Law and Policies, Procedures and Guidelines and the Collective Bargaining Agreement executed by the Contractor's collective bargaining agent. All increases in salary which are not part of the Collective Bargaining Agreement must be approved by the Board of Directors. The Board of Directors upon approving any salary increase must demonstrate that funding exists to support the increases; this increase must be mentioned in the Board of Director's meeting minutes.

B. The Contractor shall be responsible for the recruitment of appropriate personnel; verification of credentials and references; screening of all current and prospective employees and selection and hiring of all personnel necessary for the performance of this Agreement prior to the hiring of any prospective employee. Such screening of all current and prospective employees shall include, but not be limited to: 1) fingerprinting; 2) review of conviction record; and 3) prior to hiring and every two years thereafter, inquiry to the New York State Central Registry ("SCR"). The Contractor shall maintain a personnel file for every prospective and current employee containing all screening information and results. Further, for prospective employees, at a minimum, the Contractor shall make written inquiry to the applicant's three (3) most recent prior employers, if applicable. The Contractor shall use its best efforts to obtain responses to all prior employment inquiries prior to placing the employee on the payroll. The Contractor shall screen all current and prospective employees in accordance with the Law and Policies, Procedures and Guidelines.

C. 1. The Contractor agrees not to hire or retain any person who refuses to grant authorization for fingerprinting or criminal conviction record review; who has not completely and truthfully reported information concerning their criminal convictions; who has a relevant conviction record, the evaluation of which shall be consistent with Article 23-A of the New York State Correction Law; or who has been or is currently the subject of an indicated child abuse and maltreatment report on file with the SCR. The Contractor shall obtain written consent from each employee or prospective employee, as the case may be, for fingerprinting and the conviction record review. Further, the Contractor shall provide written notice to each employee or prospective employee, as the case may be, of its intention to make inquiry of the SCR. The Contractor shall provide ACS with documentation indicating compliance with this provision.

2. In exceptional circumstances, if the Contractor believes that a current employee or a prospective employee who has been or is currently the subject of an indicated

child abuse and maltreatment report on file with the SCR should be retained, submission of a request for such retention with the reasons therefor, shall be made to ACS for its approval.

D. The Contractor shall submit to ACS, a copy of the Application for Employment form in a form acceptable to ACS for all new employees filling regular budget lines. The Contractor shall submit to ACS the qualifying credentials for the Executive Director, Administrative Director, Deputy Director, Assistant Director, Fiscal Officer and Human Resources employee within one (1) week from the date that the Contractor determines to employ an applicant. ~~The Contractor shall maintain on file and available for review by ACS the~~ qualifying credentials and other ACS required documentation for all Contractor employees. ACS shall reimburse the Contractor at the minimum rate for the position until the Application for Employment form along with qualifying credentials are sent to the Contractor by ACS. This will occur no later than thirty (30) calendar days after submission of the application and qualifying credentials. In the event ACS determines in writing that the credential verification justifies a higher salary than the employee has been paid the Contractor shall pay to the employee the difference between the salary the employee should have received and the salary received retroactive to the date of ACS' written determination

E. The Contractor shall staff its program in compliance with all Laws and Policies, Procedures, and Guidelines. The Contractor may request that a requirement of a Policy, Procedure or Guideline be waived in a particular case, and ACS shall forward its written decision to the Contractor within thirty (30) days from the receipt of the written request. In no event shall any action taken under this paragraph or paragraph A, above require ACS to increase the Maximum Grant Amount payable under this Agreement as set forth in Part I.

F. The Contractor shall immediately report in writing all vacancies and new hires of employees covered by the collective bargaining agreement between the New York City Head Start Sponsoring Board Council, the Contractor's collective bargaining agent, and District Council 1707, Head Start Local 95, Community and Social Services Employees, AFSCME, AFL-CIO (the "Collective Bargaining Agreement") to ACS and the Plan Administrator of the Defined Benefit Pension Plan for Employees of Head Start Sponsoring Board Council of the City of New York, Inc. ("Plan Administrator"). The Contractor agrees to cooperate with ACS and the Plan Administrator to provide any other information relating to the Defined Benefit Pension Plan that ACS and the Plan Administrator may request.

G. The Contractor shall provide each employee and ACS with a copy of the Contractor's Personnel Policies and Procedures. All revisions of the Contractor's Personnel Policies and Procedures must be promptly supplied to its employees and ACS.

H. The Contractor shall comply with the Living Wage Law Provisions as codified in Section 6-109 of the New York City Administrative Code including the submission of the completed Certification of Compliance ("Appendix D") with respect to all Childcare Services provided through the City's center-based Childcare program which program Section 6-109 of the New York City Administrative Code refers to as "daycare."

Section 5.02 Training

ACS and its designees and DOE will, consistent with available resources, provide training to the Contractor's employees, Board of Directors and the Policy Committee.

Section 5.03 Collective Bargaining

A. The Contractor shall cooperate with all Delegate Agencies in the establishment ~~and maintenance of a workable procedure through which collectively all Delegate Agencies may~~ discharge whatever obligations may be imposed upon them to bargain collectively under the Law. The Contractor further agrees to seek the approval or disapproval of its Policy Committee as to any procedure for the discharge of the obligation to bargain collectively.

B. Neither ACS nor the City shall be liable or responsible for any obligations of the Contractor to the Contractor's collective bargaining agent - The Head Start Sponsoring Board Council of the City of New York, Inc. In addition, neither ACS nor the City shall be liable for any obligations under any collective bargaining agreement that is negotiated and executed by the Head Start Sponsoring Board Council of the City of New York, Inc. or any other collective bargaining agent or the Contractor.

C. The City, subject to all necessary further approvals, will furnish available federal funds allocated to the pension costs to the pension plan established by the Head Start Sponsoring Board Council of the City of New York, Inc., on behalf of the Contractor's employees providing services to the Head Start program. The Contractor agrees to furnish to the Plan Administrator, ACS or both, such information, including personnel data and documentation relating thereto, as the Plan Administrator, ACS, or both, may at any time or from time to time, request.

D. The City shall, subject to all necessary further approvals, furnish available federal funds allocated to the group life insurance benefits to the group life insurance plan established by the Head Start Sponsoring Board Council of the City of New York, Inc. in accordance with the Head Start Sponsoring Board Council of the City of New York, Inc.'s group life insurance contract with Mutual of America on behalf of the Contractor's employees providing services to the Head Start program. The Contractor agrees to furnish to Mutual of America, Head Start Sponsoring Board Council of the City of New York, Inc., ACS, or all of them, such information as any one or all of them may at any time and from time to time request.

E. Employee Termination, Suspensions and Grievances. The Contractor shall post or shall distribute to each of its employees a copy of the collective bargaining agreement grievance procedure and personnel policy concerning employee termination, suspensions, and grievances. Should any grievance procedure be initiated by an employee, the Contractor shall notify ACS in writing, of the details of this grievance within ten (10) business days. ACS should be notified in writing of any suspension action. Finally, no termination can be effected without recommendation of such action to the Contractor's overall Policy Committee and that Policy Committee's approval of such action.

Section 5.04 UPK Staff Qualifications

A. The Contractor's UPK staff, teachers, teacher assistant /teacher aide, social workers, and administrators, must have in-depth knowledge of child development and how young children learn.

B. All UPK teachers must meet New York State teacher qualification requirements for UPK agencies collaborating with a district to provide prekindergarten services. These requirements are:

1. a bachelor's degree in early childhood education or a related field; or
2. a teaching license or certificate valid for services in the childhood grades

AND a written plan to obtain a certification valid for service in the early childhood grades within five (5) years from the date of hire or execution of this Agreement whichever is later.

C. Until such time as all UPK at a Contractor's site possess a teaching license or certificate valid for services in the early childhood or childhood grades, the Contractor shall employ an on-site education director during the hours that the UPK program is in operation that will be responsible for program implementation. The on-site director shall possess a teaching license or certificate valid for services in the early childhood or childhood grades pursuant to the Law.

D. Where applicable, the original documents evidencing State certification for all pedagogical personnel, and the certificates required under applicable Law shall be required to be presented by new employees to the Contractor, prior to the commencement of employment. The Contractor shall initial and date a copy of the aforesaid documents. All such documentation shall be maintained on site and available for inspection by representatives of ACS and DOE.

E. UPK Teaching Assistants

All UPK teaching assistants providing support in a UPK classroom shall possess a teacher assistant certification in compliance with 8 NYCRR 80-5.6, or its successor regulation.

F. UPK Teacher Aides

All UPK teacher aides providing support in a UPK classroom must meet the requirements prescribed in the Law including Article 47 of the City Health Code.

Section 5.05 Health Clearance

A. The Contractor shall comply with all Laws and requirements for medical clearance for their staff. Furthermore, the Contractor must comply with their licensing agency's rules. Nothing contained herein will allow the Contractor to circumvent said agency rules.

B. The Contractor's employees and prospective employees shall bear any and all cost associated with medical examinations, vaccinations and tuberculin skin tests.

C. Records of medical examinations are confidential. Medical records must be kept on file, separate from all other records within the Director's/Administrator's office. In accordance with Law, ACS or DOE may examine medical records of all employees, and reserves the right to require a new medical clearance for an employee, if in the opinion of ACS or DOE a new clearance is required.

ARTICLE 6. INSURANCE

Section 6.01 ACS Insurance Package

A. ACS may obtain an insurance package from the New York City Centralized Insurance Program ("ACS Insurance Package") for the benefit of the Contractor and at the Contractor's expense containing the following coverage in the minimum amounts stated:

1. Comprehensive General Liability: One Million Dollars (\$1,000,000.00) each occurrence to protect the Contractor and to protect ACS and The City of New York, as additional insureds under the policy, against any and all claims, loss, or damage, including claims for injuries to, or death of persons or damage to property or claims for food-related illness, injury or death whether such injuries or damages be attributable to the negligence or any other acts of the Contractor, its employees, or otherwise;

2. Fire Insurance on contents of each Head Start site: Five Thousand Dollars (\$5,000.00); coverage to include Extended Coverage for Vandalism and Malicious Mischief;

3. Crime Insurance in the amount of \$1,000,000.00 to protect the Contractor and to protect ACS and The City of New York from employee dishonesty, forgery, theft disappearance and destruction, robbery and safe burglary, and computer fraud.

4. Workers' Compensation and Disability Insurance: For the benefit of Contractor's employees when those employees are required to be insured by the provisions of Chapter 615 of the Laws of 1922, known as the "Workers' Compensation Law" and acts amendatory thereto.

5. Coverage in addition to that described above may be obtained by the Administration for Children's Services in its discretion as part of the ACS Insurance Package.

B. ACS reserves the right to purchase on the behalf of the Contractor at the Contractor's expense, the ACS Insurance Package and other insurance at its discretion and to add, increase, remove, vary or change any coverage ACS considers advisable or necessary, or as shall be mandated by competent authority or by Law.

C. In the event ACS exercises its right to purchase any insurance coverage on behalf of the Contractor in accordance with this Agreement, ACS shall retain funds, otherwise allocable to Contractor under this Agreement, to purchase insurance for and on behalf of the Contractor.

The Contractor understands that the funds retained for the purchase of insurance have not been included in the Budget.

D. Nothing in this Agreement shall be considered to prohibit the Contractor from using its own funds to buy insurance which supplements and is in addition to the coverage provided by the ACS Insurance Package.

E. ACS's purchase of the ACS Insurance Package satisfies the Contractor's ~~responsibility to obtain the insurance required in Sections 2.02 and 2.03 of Part III of this~~ Agreement. Provision of the Agency Insurance Plan through ACS is in no way an admission by ACS or the City of liability for acts, omissions or negligence of the Contractor or its employees.

Section 6.02 Indemnification

Notwithstanding anything to the contrary contained herein, the Contractor shall hold ACS and The City of New York safe and harmless and indemnify and protect ACS and The City of New York against all claims, losses, expenses, or damages, whether in contract or tort, (including claims for bodily injuries to or death of persons, or damage to property), to any person or persons, caused or arising out of the acts, omissions, or otherwise of the Contractor, its agents, servants, or employees in the performance of this Agreement.

Section 6.03 Fidelity Bond

Notwithstanding anything to the contrary provided in this Agreement and unless explicitly waived in Section 1.04 of Part I of this Agreement, the Contractor shall deliver to ACS a Fidelity Bond, with a limit of liability in the amount listed in Section 1.04 of Part I or as otherwise determined by ACS, bonding every person authorized by the Contractor to receive, handle, or disburse monies received under this Agreement. The bond shall be issued by an insurer duly licensed by the Superintendent of Insurance of the State of New York and shall provide that any payment made thereunder for any loss sustained either by the Contractor or the City or both of them through any fraudulent or dishonest act by one or more of the bonded persons shall be payable to the City. In the event ACS has waived the fidelity bond requirement contained in this Section, ACS may in its sole discretion, reinstate the fidelity bond requirement at any time upon written notice to the Contractor.

ARTICLE 7. INSPECTION AND REPORTING

Section 7.01 Inspection Rights

A. The Contractor shall permit ACS and related City and Federal officers to attend all meetings, hearings, and proceedings of the Board of Directors, Policy Committee and all other committees of the Contractor in which matters relating to the performance of this Agreement are being considered.

ADMINISTRATION FOR CHILDREN'S SERVICES

Head Start



Arthur Beal
ACS Financial Services
January 22, 2010

Contract Budget for Program Year 45

170CHINA

CHINESE COMMUNITY CONCERNS CORP.

Budget Line	Program Year 45	Contract Amount
HEAD START CLAIMABLE		
[a] Salaries	\$822,055	\$822,055
[b 1] Fringe	\$65,515	\$65,515
[b 2] Welfare Fund	\$14,592	\$14,592
[c] Capital Expenditure [HHS Approved]	\$0	\$0
[c] Staff Out-of-Town-Travel	\$3,705	\$3,705
[e] Equipment <\$5,000	\$1,500	\$1,500
[e] Supplies	\$5,800	\$5,800
[f 1] Administrative Consultant & Contracts	\$4,914	\$4,914
[f 2-8] Childs Services Consultant & Contracts	\$2,500	\$2,500
[h 2] Occupancy	\$87,502	\$87,502
[h 4] Utilities & Telephone	\$16,500	\$16,500
[h 6] Maintenance & Repair	\$7,800	\$7,800
[h 8] Child Travel	\$4,700	\$4,700
UPK Supplemental Services	\$99,953	\$99,953
[h 12] Substitute Teachers	\$2,508	\$2,508
[h 13] Parent Services	\$3,210	\$3,210
[h 14] Audit	\$5,300	\$5,300
[h 15] Advertising/Printing	\$1,200	\$1,200
[h 16] Training & Staff Development	\$4,000	\$4,000
[h 17] Miscellaneous	\$15,589	\$15,589
HEAD START CLAIMABLE BUDGET	\$1,168,843	\$1,168,843
Minimum Partnership Funding Requirement	\$0	\$0
Required Non-Federal Match [Fed:Non-Fed is 4:1]	\$267,223	\$267,223
HEAD START PROGRAM BUDGET	\$1,436,066	\$1,436,066
CENTRAL INSURANCE POOL		
Minimum Budgets PY45 [estimated]	\$172,982	\$172,982
Central Insurance Pool expense is NOT included in nor funded through your delegate agency's contract		